

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF ADJUSTMENT OF)	
NATURAL GAS RATES OF PUBLIC)	CASE NO. 8186
GAS COMPANY)	

O R D E R

IT IS ORDERED that Public Gas Company shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Intervention, by May 4, 1981.

1. In comparing the 1979 Annual Report of Pan Bowl Gas Company (predecessor to Public Gas Company) with the 1980 Annual Report of Public Gas Company, two large increases in expenses have been noted, these are:

	<u>1979</u>	<u>1980</u>	<u>Difference</u>	<u>%</u>
Customer Accounts Expenses	\$ 7,128	\$21,344	\$14,216	199%
Administrative & General Expenses	\$29,456	\$41,098	\$11,642	39.5%

- a) With respect to the "Customer Accounts Expenses," it appears that the majority of the differential is in "Accounting & Collecting Labor" which increased \$9,118. Please provide a detailed explanation of the costs included in this account and why the account increased 152% in a twelve-month period.
- b) Regarding the "Administrative and General Expenses," please provide a breakdown of "Office Supplies and Expenses."

Moreover, describe in detail why rent increased from \$400 to \$4,533 and, further, provide a list of persons to whom payments were made and accounted for in "Outside Services Employed" along with the type of work they performed and the amount of payment for each particular job.

- 2a) Describe what types of services and installations fees are included in "Service Charges and Installation."
- b) Describe the elimination of the "major installation income" of \$5,265.
- c) If expenses associated with these installations are included in operation and maintenance expenses, identify these expenses and the amounts involved. Or, if expenses, associated with these installations were capitalized, identify as such showing the amounts by plant accounts.

3. Identify source and type of revenues included in Miscellaneous Income and Well Service Income.

- 4. Provide a copy of the company's depreciation schedule.
- 5. For what period was rate case expense amortized?

6. Concerning Exhibit 3, page 2:

- a) Who holds the debt of \$200,000?
- b) Were the proceeds of the additional debt of \$100,000 received in March, 1981?
- c) Who holds the additional debt and what is the length or terms of the loan including the final negotiated interest rate?

7) Describe the terms of the special contract to Eltra Manufacturing Company.

Done at Frankfort, Kentucky, this 29th day of April, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

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Vice Chairman~~

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Commissioner~~

ATTEST:

Secretary